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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW

(Legislative Department)

New Delhi, the 31*st March,* 1970|*Chaitra* 10, 1892 (*Saka*)

The following Act of Parliament received the assent of the President on the 31st March, 1970, and is hereby published for general information:—

THE BANKING COMPANIES (ACQUISITION AND TRANSFER OF UNDERTAKINGS) 1970

No. 5 0 1970

[31st March, 1970]

An Act to provide for the acquisition and transfer of the undertakings of certain banking companies, having regard to their size resources, coverage and orgnisation, in order to control the heights of the economy and to meet progressively, and serve better, the needs of development of the economy in coformity with national policy and objectives and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Twenty-first Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.

(*2*) The provisions of this Act (except section 21, which shall come into force on the appointed day) shall be deemed to have come into force on the 19th day of July, 1969.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "appointed day" means the 14th day of February, 1970, being the day on which the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, was promulgated; 3 of 1970.

(*b*) "banking company" does not include a foreign company within the meaning of section 591 of the Companies Act, 1956; 1 of 1956.

(*c*) "commencement of this Act" means the 19th day of July, 1969;

(*d*) "corresponding new bank", in relation to an existing bank, means the body corporate specified against such bank in column 2 of the First Schedule;

(*e*) "Custodian" means the person who becomes, or is appointed, a Custodian under section 7;

(*f*) "existing bank" means a banking company specified in column 1 of the First Schedule, being a company the deposits of which, as shown in the return as on the last Friday of June, 1969, furnished to the Reserve Bank under section 27 of the Banking Regulation Act, 1949, were not less than rupees fifty crores; 10 of 1949.

(*g*) "Schedule" means a Schedule to this Act;

(*h*) words and expressions used herein and not defined but defined in the Banking Regulation Act, 1949, have the meanings respectively assigned to them in that Act. 10 of 1949.

CHAPTER II

TRANSFER OF THE UNDERTAKINGS OF EXISTING BANKS

Establishment of corresponding new banks and business thereof.

3. (*1*) On the commencement of this Act, there shall be constituted such corresponding new banks as are specified in the First Schedule.

(2) The paid-up capital of every corresponding new bank constituted under sub-section (*1*) shall, until any provision is made in this behalf in any scheme made under section 9, be equal to the paid-up capital of the existing bank in relation to which it is the corresponding new bank.

(*3*) The entire capital of each corresponding new bank shall stand vested in, and allotted to, the Central Government.

(*4*) Every corresponding new bank shall be a body corporate with perpetual succession and a common seal with power, subject to the provisions of this Act, to acquire, hold and dispose of property, and to contract, and may sue and be sued in its name.

(5) Every corresponding new bank shall carry on and transact the business of banking as defined in clause (*b*) of section 5 of the Banking Regulation Act, 1949, and may engage in one or more forms of business specified in sub-section (*1*) of section 6 of that Act. 10 of 1949.

(*6*) Every corresponding new bank shall establish a reserve fund to which shall be transferred the share premiums and the balance, if any, standing to the credit of the reserve fund of the existing bank in relation to which it is the corresponding new bank, and such further sums, if any, as may be transferred in accordance with the provisions of section 17 of the Banking Regulation Act, 1949. 10 of 1949.

Undertaking of existing banks to vest in corresponding new banks.

4. On the commencement of this Act, the undertaking of every existing bank shall be transferred to, and shall vest in, the corresponding new bank.

General effect of vesting.

5. (1) The undertaking of each existing bank shall be deemed to include all assets, rights, powers, authorities and privileges and all property, movable and immovable, cash balances, reserve funds, investments and all other rights and interests in, or arising out of, such property as were immediately before the commencement of this Act in the ownership, possession, power or control of the existing bank in relation to the undertaking, whether within or without India, and all books of accounts, registers, records and all other documents of whatever nature relating thereto and shall also be deemed to include all borrowings, liabilities and obligations of whatever kind then subsisting of the existing bank in relation to the undertaking.

(2) If, according to the laws of any country outside India, the provisions of this Act by themselves are not effective to transfer or vest any asset or liability situated in that country which forms part of the undertaking of an existing bank to, or in, the corresponding new bank, the affairs of the existing bank in relation to such asset or liability shall, on and from the commencement of this Act, stand entrusted to the chief executive officer for the time being of the corresponding new bank, and the chief executive officer may exercise all powers and do all such acts and things as may be exercised or done by the existing bank for the purpose of effectively transferring such assets and discharging such liabilities.

(3) The chief executive officer of the corresponding new bank shall, in exercise of the powers conferred on him by sub-section (2), take all such steps as may be required by the laws of any such country outside India for the purpose of effecting such transfer or vesting, and may either himself or through any person authorised by him in this behalf realise any asset and discharge any liability of the existing bank.

(4) Unless otherwise expressly provided by this Act, all contracts, deeds, bonds, agreements, powers of attorney, grants of legal representation and other instruments of whatever nature subsisting or having effect immediately before the commencement of this Act and to which the existing bank is a party or which are in favour of the existing bank shall be of as full force and effect against or in favour of the corresponding new bank, and may be enforced or acted upon as fully and effectually as if in the place of the existing bank the corresponding new bank had been a party thereto or as if they had been issued in favour of the corresponding new bank.

(5) If, on the appointed day, any suit, appeal or other proceeding of whatever nature in relation to any business of the undertaking which has been transferred under section 4, is pending by or against the existing bank, the same shall not abate, be discontinued or be, in any way,

prejudicially affected by reason of the transfer of the undertaking of the existing bank or of anything contained in this Act but the suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the corresponding new bank.

(6) Nothing in this Act shall be construed as applying to the assets, rights, powers, authorities and privileges and property, movable and immovable, cash balances and investments in any country outside India (and other rights and interests in, or arising out of, such property) and borrowings, liabilities and obligations of whatever kind subsisting at the commencement of this Act, of any existing bank operating in that country if, under the laws in force in that country, it is not permissible for a banking company, owned or controlled by Government, to carry on the business of banking there.

CHAPTER III

PAYMENT OF COMPENSATION

Payment of compensation.

6. (1) Every existing bank shall be given by the Central Government such compensation in respect of the transfer, under section 4, to the corresponding new bank of the undertaking of the existing bank as is specified against each such bank in the Second Schedule.

(2) The amount of compensation referred to in sub-section (1) shall be given to every existing bank, at its option,—

(a) in cash (to be paid by cheque drawn on the Reserve Bank) in three equal annual instalments, the amount of each instalment carrying interest at the rate of four per cent. per annum from the commencement of this Act, or

(b) in saleable or otherwise transferable promissory notes or stock certificates of the Central Government issued and repayable at par, and maturing at the end of—

(i) ten years from the commencement of this Act and carrying interest from such commencement at the rate of four and a half per cent. per annum, or

(ii) thirty years from the commencement of this Act and carrying interest from such commencement at the rate of five and a half per cent. per annum, or

(c) partly in cash (to be paid by cheque drawn on the Reserve Bank) and partly in such number of securities specified in sub-clause (i) or sub-clause (ii), or both, of clause (b), as may be required by the existing bank, or

(d) partly in such number of securities specified in sub-clause (i) of clause (b) and partly in such number of securities specified in sub-clause (ii) of that clause, as may be required by the existing bank.

(3) The first of the three equal annual instalments referred to in clause (*a*) of sub-section (2) shall be paid, and the securities referred to in clause (*b*) of that sub-section shall be issued, within sixty days from the date of receipt by the Central Government of the option referred to in that sub-section, or where no such option has been exercised, from the latest date before which such option ought to have been exercised.

(4) The option referred to in sub-section (2) shall be exercised by every existing bank before the expiry of a period of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the existing bank, allow) and the option so exercised shall be final and shall not be altered or rescinded after it has been exercised.

(5) Any existing bank which omits or fails to exercise the option referred to in sub-section (2), within the time specified in sub-section (4), shall be deemed to have opted for payment in securities specified in sub-clause (*i*) of clause (*b*) of sub-section(2).

(6) Notwithstanding anything contained in this section, any existing bank may, before the expiry of three months from the appointed day (or within such further time, not exceeding three months, as the Central Government may, on the application of the existing bank, allow) make an application in writing to the Central Government for an interim payment of an amount equal to seventy-five per cent. of the amount of the paid-up capital of such bank, as on the commencement of this Act, indicating therein whether the payment is desired in cash or in securities specified in sub-section (2), or in both.

(7) The Central Government shall, within sixty days from the receipt of the application referred to in sub-section (6), make the interim payment to the existing bank in accordance with the option indicated in such application.

(8) The interim payment made to an existing bank under sub-section (7) shall be set off against the total amount of compensation payable to such existing bank under this Act and the balance of the compensation remaining outstanding after such payment shall be given to the existing bank in accordance with the option exercised, or deemed to have been exercised, under sub-section (4) or sub-section (5), as the case may be:

Provided that where any part of the interim payment is obtained by an existing bank in cash, the payment so obtained shall be set off, in the first instance, against the first instalment of the cash payment referred to in sub-section (2), and in case the payment so obtained exceeds the amount of the first instalment, the excess amount shall be adjusted against the second instalment and the balance of such excess amount, if any, against the third instalment of the cash payment.

(9) Any payment purported to have been made to an existing bank under sub-section (3) of section 15 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, shall be deducted by the Central Government from the amount of the interim payment made to such existing bank under sub-section (7), or where no such interim payment has been made, from the total amount of the compensation due to such existing bank, and the amount so deducted shall be paid by the Central Government to the corresponding new bank.

22 of 1969.

CHAPTER IV

MANAGEMENT OF CORRESPONDING NEW BANKS

Head office and management.

7. (*1*) The head office of each corresponding new bank shall be at such place as the Central Government may, by notification in the Official Gazette, specify in this behalf, and, until any such place is so specified, shall be at such place at which the head office of the existing bank, in relation to which it is the corresponding new bank, is on the commencement of this Act, located.

(*2*) The general superintendence, direction and management of the affairs and business of a corresponding new bank shall vest in a Board of Directors which shall be entitled to exercise all such powers and do all such acts and things as the corresponding new bank is authorised to exercise and do.

(*3*) (*a*) As soon as may be after the appointed day, the Central Government shall, in consultation with the Reserve Bank, constitute the first Board of Directors of a corresponding new bank, consisting of not more than seven persons, to be appointed by the Central Government, and every director so appointed shall hold office until the Board of Directors of such corresponding new bank is constituted in accordance with the scheme made under section 9:

Provided that the Central Government may, if it is of opinion that it is necessary in the interests of the corresponding new bank so to do, remove a person from the membership of the first Board of Directors and appoint any other person in his place.

(*b*) Every member of the first Board of Directors (not being an officer of the Central Government or of the Reserve Bank) shall receive such remuneration as is equal to the remuneration which a member of the Board of Directors of the existing bank was entitled to receive immediately before the commencement of this Act.

(*4*) Until the first Board of Directors is appointed by the Central Government under sub-section (*3*), the general superintendence, direction and management of the affairs and business of a corresponding new bank shall vest in a Custodian, who shall be the chief executive officer of that bank and may exercise all powers and do all acts and things as may be exercised or done by that bank.

(*5*) The Chairman of an existing bank holding office as such immediately before the commencement of this Act, shall be the Custodian of the corresponding new bank and shall receive the same emoluments as he was receiving immediately before such commencement:

Provided that the Central Government may, if the Chairman of an existing bank declines to become, or to continue to further as, a Custodian of the corresponding new bank, or, if it is of opinion that it is necessary in the interests of the corresponding new bank so to do, appoint any other person as the Custodian of a corresponding new bank and the Custodian so appointed shall receive such emoluments as the Central Government may specify in this behalf.

(*6*) The Custodian shall hold office during the pleasure of the Central Government.

Corresponding new banks to be guided by the directions of the Central Government.

8. Every corresponding new bank shall, in the discharge of its functions, be guided by such directions in regard to matters of policy involving public interest as the Central Government may, after consultation with the Governor of the Reserve Bank, give.

Power of Central Government to make scheme.

9. (1) The Central Government may, after consultation with the Reserve Bank, make a scheme for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, the said scheme may provide for all or any of the following matters, namely:—

(a) the capital structure of the corresponding new bank, so however that the paid-up capital of any such bank shall not be in excess of rupees fifteen crores;

(b) the constitution of the Board of Directors, by whatever name called, of the corresponding new bank and all such matters in connection therewith or incidental thereto as the Central Government may consider to be necessary or expedient;

(c) the reconstitution of any corresponding new bank into two or more corporations, the amalgamation of any corresponding new bank with any other corresponding new bank or with another banking institution, the transfer of the whole or any part of the undertaking of a corresponding new bank to any other banking institution or the transfer of the whole or any part of the undertaking of any other banking institution to a corresponding new bank;

(d) such incidental, consequential and supplemental matters as may be necessary to carry out the provisions of this Act.

(3) Every Board of Directors of a corresponding new bank, constituted under any scheme made under sub-section (1), shall include—

(a) representatives of the employees, and of depositors, of such bank, and

(b) such other persons as may represent the interests of each of the following categories, namely, farmers, workers and artisans,

to be elected or nominated in such manner as may be specified in the scheme.

(4) The Central Government may, after consultation with the Reserve Bank, make a scheme to amend or vary any scheme made under sub-section (1).

(5) Every scheme made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the scheme or both Houses agree that the scheme should not be made, the scheme shall thereafter have effect only in such modified form or be

of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that scheme.

CHAPTER V

MISCELLANEOUS

Closure of accounts and disposal of profits.

10. (*1*) Every corresponding new bank shall cause its books to be closed and balanced on the 31st day of December of each year and shall appoint, with the previous approval of the Reserve Bank, auditors for the audit of its accounts.

(*2*) Every auditor of a corresponding new bank shall be a person who is qualified to act as an auditor of a company under section 226 of the Companies Act, 1956, and shall receive such remuneration as the Reserve Bank may fix in consultation with the Central Government. 1 of 1956.

(*3*) Every auditor shall be supplied with a copy of the annual balance-sheet and profit and loss account and a list of all books kept by the corresponding new bank, and it shall be the duty of the auditor to examine the balance-sheet and profit and loss account with the accounts and vouchers relating thereto, and in the performance of his duties, the auditor—

(*a*) shall have, at all reasonable times, access to the books, accounts and other documents of the corresponding new bank,

(*b*) may, at the expense of the corresponding new bank, employ accountants or other persons to assist him in investigating such accounts, and

(*c*) may, in relation to such accounts, examine the Custodian or any officer or employee of the corresponding new bank.

(*4*) Every auditor of a corresponding new bank shall make a report to the Central Government upon the annual balance-sheet and accounts and in every such report shall state—

(*a*) whether, in his opinion, the balance-sheet is a full and fair balance-sheet containing all the necessary particulars and is properly drawn up so as to exhibit a true and fair view of the affairs of the corresponding new bank, and in case he had called for any explanation or information, whether it has been given and whether it is satisfactory;

(*b*) whether or not the transactions of the corresponding new bank, which have come to his notice, have been within the powers of that bank;

(*c*) whether or not the returns received from the offices and branches of the corresponding new bank have been found adequate for the purpose of his audit;

(*d*) whether the profit and loss account shows a true balance of profit or loss for the period covered by such account; and

(*e*) any other matter which he considers should be brought to the notice of the Central Government.

(*5*) The report of the auditor shall be verified, signed and transmitted to the Central Government.

(*6*) The auditor shall also forward a copy of the audit report to the corresponding new bank and to the Reserve Bank.

(7) After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and all other matters for which provision is necessary under any law, or which are usually provided for by banking companies, a corresponding new bank shall transfer the balance of profits to the Central Government.

(8) The Central Government shall cause every auditor's report and report on the working and activities of each corresponding new bank to be laid for not less than thirty days before each House of Parliament as soon as may be after each such report is received by the Central Government.

43 of 1961.

11. For the purposes of the Income-tax Act, 1961, every corresponding new bank shall be deemed to be an Indian company and a company in which the public are substantially interested.

Corresponding new bank deemed to be an Indian company.

12. (1) Every person holding office, immediately before the commencement of this Act, as Chairman of an existing bank shall, if he becomes Custodian of the corresponding new bank, be deemed, on such commencement, to have vacated office as such Chairman.

Removal of Chairman from office.

(2) Save as otherwise provided in sub-section (1), every officer or other employee of an existing bank shall become, on the commencement of this Act, an officer or other employee, as the case may be, of the corresponding new bank and shall hold his office or service in that bank on the same terms and conditions and with the same rights to pension, gratuity and other matters as would have been admissible to him if the undertaking of the existing bank had not been transferred to and vested in the corresponding new bank and continue to do so unless and until his employment in the corresponding new bank is terminated or until his remuneration, terms or conditions are duly altered by the corresponding new bank.

(3) For the persons who immediately before the commencement of this Act were the trustees for any pension, provident, gratuity or other like fund constituted for the officers or other employees of an existing bank, there shall be substituted as trustees such persons as the Central Government may, by general or special order, specify.

14 of 1947.

(4) Notwithstanding anything contained in the Industrial Disputes Act, 1947, or in any other law for the time being in force, the transfer of the services of any officer or other employee from an existing bank to a corresponding new bank shall not entitle such officer or other employee to any compensation under this Act or any other law for the time being in force and no such claim shall be entertained by any court, tribunal or other authority.

13. (1) Every corresponding new bank shall observe, except as otherwise required by law, the practices and usages customary among bankers, and, in particular, it shall not divulge any information relating to or to the affairs of its constituents except in circumstances in which it is, in accordance with law or practices and usages customary among bankers, necessary or appropriate for the corresponding new bank to divulge such information.

Obligations as to fidelity and secrecy.

(2) Every director, member of a local board or a committee, or auditor, adviser, officer or other employee of a corresponding new bank shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Third Schedule.

(3) Every Custodian of a corresponding new bank shall, as soon as possible, make a declaration of fidelity and secrecy in the form set out in the Third Schedule.

Custodian to be public servant.

14. Every Custodian of a corresponding new bank shall be deemed to be a public servant for the purposes of Chapter IX of the Indian Penal Code. 45 of 1860.

Certain defects not to invalidate acts or proceedings.

15. (1) All acts done by the Custodian, acting in good faith, shall, notwithstanding any defect in his appointment or in the procedure, be valid.

(2) No act or proceeding of any Board of Directors or a local board or committee of a corresponding new bank shall be invalid merely on the ground of the existence of any vacancy in, or defect in the constitution of, such board or committee, as the case may be.

(3) All acts done by a person acting in good faith as a director or member of a local board or committee of a corresponding new bank shall be valid, notwithstanding that it may afterwards be discovered that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in any law for the time being in force:

Provided that nothing in this section shall be deemed to give validity to any act by a director or member of a local board or committee of a corresponding new bank after his appointment has been shown to the corresponding new bank to be invalid or to have terminated.

Indemnity.

16. (1) Every Custodian of a corresponding new bank and every officer of the Central Government or of the Reserve Bank and every officer or other employee of a corresponding new bank, shall be indemnified by such bank against all losses and expenses incurred by him in or in relation to the discharge of his duties except such as have been caused by his own wilful act or default.

(2) A director or member of a local board or committee of a corresponding new bank shall not be responsible for any loss or expense caused to such bank by the insufficiency or deficiency of the value of, or title to, any property or security acquired or taken on behalf of the corresponding new bank, or by the insolvency or wrongful act of any customer or debtor, or by anything done in or in relation to the execution of the duties of his office, unless such loss, expense, insufficiency or deficiency was due to any wilful act or default on the part of such director or member.

References to existing banks on and from the commencement of this Act.

17. Any reference to any existing bank in any law, other than this Act, or in any contract or other instrument shall, in so far as it relates to the undertaking which has been transferred by section 4, be construed as a reference to the corresponding new bank.

Dissolution.

18. No provision of law relating to winding up of corporations shall apply to a corresponding new bank and no corresponding new bank shall be placed in liquidation save by order of the Central Government and in such manner as it may direct.

Power to make regulations

19. (*1*) The Board of Directors of a corresponding new bank may, after consultation with the Reserve Bank and with the previous sanction of the Central Government, make regulations, not inconsistent with the provisions of this Act or any scheme made thereunder, to provide for all matters for which provision is expedient for the purpose of giving effect to the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, the regulations may provide for all or any of the following matters, namely:—

(*a*) the powers, functions and duties of local boards and restrictions, conditions or limitations, if any, subject to which they may be exercised or performed, the formation and constitution of local committees and committees of local board (including the number of members of any such committee), the powers, functions and duties of such committees, the holding of meetings of local committees and committees of local boards and the conduct of business thereat:

(*b*) the manner in which the business of the local boards shall be transacted and the procedure in connection therewith;

(*c*) the delegation of powers and functions of the board of directors of a corresponding new bank to the general manager, director, officer or other employee of that bank;

(*d*) the conditions or limitations subject to which the corresponding new bank may appoint advisers, officers or other employees and fix their remuneration and other terms and conditions of service;

(*e*) the duties and conduct of advisers, officers or other employees of the corresponding new bank:

(*f*) the establishment and maintenance of superannuation, pension, provident or other funds for the benefit of officers or other employees of the corresponding new bank or of the dependants of such officers or other employees and the granting of superannuation allowances, annuities and pensions payable out of such funds;

(*g*) the conduct and defence of legal proceedings by or against the corresponding new bank and the manner of signing pleadings;

(*h*) the provision of a seal for the corresponding new bank and the manner and effect of its use;

(*i*) the form and manner in which contracts binding on the corresponding new bank may be executed;

(*j*) the conditions and the requirements subject to which loans or advances may be made or bills may be discounted or purchased by the corresponding new bank;

(*k*) the persons or authorities who shall administer any pension, provident or other fund constituted for the benefit of officers or other employees of the corresponding new bank or their dependants;

(*l*) the preparation and submission of statements of programmes of activities and financial statements of the corresponding new bank and the period for which and the time within which such statements and estimates are to be prepared and submitted; and

(*m*) generally for the efficient conduct of the affairs of the corresponding new bank.

(*3*) Until any regulation is made under sub-section (*1*), the articles of association of the existing bank and every regulation, rule, bye-law or order made by the existing bank shall, if in force at the commencement of this Act, be deemed to be the regulations made under sub-section (*1*) and shall have effect accordingly and any reference therein to any authority of the existing bank shall be deemed to be a reference to the corresponding authority of the corresponding new bank and until any such corresponding authority is constituted under this Act, shall be deemed to refer to the Custodian.

Amendment of certain enactments.

20. (*1*) In the Banking Regulation Act, 1949,— 10 of 1949.

(*a*) in section 34A, in sub-section (*3*), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted;

(*b*) in section 36AD, in sub-section (*3*), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted;

(*c*) in section 51, for the words "or any other banking institution notified by the Central Government in this behalf", the words, figures and brackets "or any corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, or any other banking institution notified by the Central Government in this behalf" shall be substituted;

(*d*) in the Fifth Schedule, in Part I of paragraph 1, in clause (*e*), the *Explanations* shall be deemed never to have been inserted.

(*2*) In the Industrial Disputes Act, 1947, in section 2, in clause (*bb*), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted. 14 of 1947.

(*3*) In the Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949, in section 2, in clause (*a*), for the words "and any subsidiary bank", the words, figures and brackets "a corresponding new bank constituted under section 3 of the Banking Companies (Acquisi- 46 of 1949.

tion and Transfer of Undertakings) Act, 1970, and any subsidiary bank" shall be substituted.

47 of 1961. (4) In the Deposit Insurance Corporation Act, 1961,—

(*a*) in section 2,—

(*i*) after clause (*e*), the following clause shall be inserted, namely:—

'(*ee*) "corresponding new bank" means a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;';

(*ii*) in clause (*g*),—

(*a*) for the words "or a banking company", the words "a corresponding new bank or a banking company", and

(*b*) for the words "with a banking company", the words "with a corresponding new bank or with a banking company",

shall be substituted;

(*iii*) in clause (*i*), after the words "banking company", the words "or a corresponding new bank" shall be inserted;

(*b*) section 13 shall be re-numbered as sub-section (*1*) thereof and after sub-section (*1*) as so re-numbered, the following sub-section shall be inserted, namely:—

"(*2*) The provisions of clauses (*a*), (*b*), (*c*), (*d*) and (*h*) of sub-section (*1*) shall apply to a corresponding new bank as they apply to a banking company.".

60 of 1968. (5) In the State Agricultural Credit Corporations Act, 1968,—

(*a*) in section 2, after clause (*i*), the following clause shall be inserted, namely:—

'(*ii*) "corresponding new bank" means a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;';

(*b*) after the words "subsidiary banks" or "subsidiary bank", as the case may be, occurring in clause (*d*) of sub-section (*3*) of section 5, in clause (*b*) of section 9 and in the proviso to section 18, the words "corresponding new banks" or "corresponding new bank", as the case may be, shall be inserted.

Repeal and savings.

3 of 1970. **21.** (*1*) The Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, is hereby repealed.

(*2*) Notwithstanding such repeal and notwithstanding any judgment, decree or order of any court or tribunal,—

(*a*) any action taken, or purported to have been taken, or anything done, or purported to have been done, between the 19th day of July, 1969, and the 10th day of February, 1970, by any corresponding new bank purported to have been constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969, or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, or by any person purporting to act

8 of 1969.
22 of 1969.

on behalf of such bank and any right, obligation or liability acquired or incurred, between the said dates, by or on behalf of such corresponding new bank shall be deemed to have been taken, done, acquired or incurred under the provisions of this Act by or on behalf of the corresponding new bank constituted thereunder;

(*b*) any action taken, or purported to have been taken, or anything done, or purported to have been done, between the 10th day of February, 1970, and the appointed day, by an existing bank or by any person acting on behalf of such bank, and any right, obligation or liability acquired or incurred, between the said dates, by or on behalf of such existing bank shall be deemed to have been taken, done, acquired or incurred under the provisions of this Act by or on behalf of the corresponding new bank constituted thereunder;

(*c*) anything done or any action taken, including any order made, notification issued or directions given under the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1970, shall be deemed to have been done, taken, made, issued or given, as the case may be, under the corresponding provisions of this Act. 3 of 1970.

(*3*) Any suit, appeal or other proceeding of whatever nature instituted on or after the 19th day of July, 1969, by or against a corresponding new bank purported to have been constituted by the Banking Companies (Acquisition and Transfer of Undertakings) Ordinance, 1969, or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969, shall not abate, be discontinued, or be, in any way, prejudicially affected by reason of the expiry of the said Ordinance or the invalidation of the said Act, as the case may be, but such suit, appeal or other proceeding may be continued, prosecuted and enforced by or against the corresponding new bank as if such suit, appeal or other proceeding had been instituted by or against the corresponding new bank constituted under this Act. 8 of 1969. 22 of 1969.

THE FIRST SCHEDULE

(*See* sections 2, 3 and 4)

Existing bank	Corresponding new bank
Column 1	Column 2
The Central Bank of India Limited	Central Bank of India.
The Bank of India Limited	Bank of India.
The Punjab National Bank Limited	Punjab National Bank.
The Bank of Baroda Limited	Bank of Baroda.
The United Commercial Bank Limited	United Commercial Bank.
Canara Bank Limited	Canara Bank.
United Bank of India Limited	United Bank of India.
Dena Bank Limited	Dena Bank.
Syndicate Bank Limited	Syndicate Bank.
The Union Bank of India Limited	Union Bank of India.
Allahabad Bank Limited	Allahabad Bank.
The Indian Bank Limited	Indian Bank.
The Bank of Maharashtra Limited	Bank of Maharashtra.
The Indian Overseas Bank Limited	Indian Overseas Bank.

THE SECOND SCHEDULE

(*See* section 6)

Name of existing bank	Amount of compensation
	(in lakhs of rupees)
The Central Bank of India Limited	.. 1750
The Bank of India Limited	.. 1470
The Punjab National Bank Limited	.. 1020
The Bank of Baroda Limited	.. 840
The United Commercial Bank Limited	.. 830
Canara Bank Limited	.. 360
United Bank of India Limited	.. 420
Dena Bank Limited	.. 360
Syndicate Bank Limited	.. 360
The Union Bank of India Limited	.. 310
Allahabad Bank Limited	.. 310
The Indian Bank Limited	.. 230
The Bank of Maharashtra Limited	.. 230
The Indian Overseas Bank Limited	.. 250

THE THIRD SCHEDULE

[*See* sub-sections (2) and (3) of section 13]

DECLARATION OF FIDELITY AND SECRECY

I, ————————, do hereby declare that I will faithfully, truly and to the best of my skill and ability execute and perform the duties required of me as Custodian, Director, member of Local Board, member of Local Committee, auditor, adviser, officer or other employee (as the case may be) of the*
and which properly relate to the office or position in the said*
held by me.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the*
or to the affairs of any person having any dealing with the* ; nor will I allow any such person to inspect or have access to any books or documents belonging to or in the possession of the*
and relating to the business of the*
or to the business of any person having any dealing with the*

*Name of corresponding new bank to be filled in.

N. D. P. NAMBOODIRIPAD,
Joint Secy. to the Govt. of India.

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